



October 8, 2014

California Department of Water Resources  
Division of Integrated Regional Water Management  
Financial Assistance Branch  
Post Office Box 942836  
Sacramento, Ca 94236  
Attn: Zaffar Eusuff

Dear Mr. Eusuff:

On Tuesday, September 23, 2014, the Department of Water Resources (DWR) announced the draft recommendations for funding awards for the 2014 Expedited Drought Grants and solicited comments on those awards. The San Luis & Delta-Mendota Water Authority (SLDMWA) hereby submits its comments on the recommended drought implementation grant awards.

The SLDMWA undertook an ambitious task of updating its Westside-San Joaquin Integrated Water Resources Plan (its IRWM plan) in conjunction with preparation of its 2014 Expedited Drought Grant application. On August 15, 2014, its IRWMP received approval from DWR that it meets all necessary requirements and guidelines. The Region intends to implement projects included in its adopted IRWMP and has sought funds through the Expedited Drought Grant Solicitation.

After a careful review of DWR's evaluation of our most recent grant application, and with all due respect to the reviewers, we believe our scores for many questions in the Project Level Evaluation are not reflective of the content of our proposal and would appreciate an opportunity for a second review of certain elements within it. We have prepared a written response, attached herewith, to the review comments and respectfully request that DWR evaluate our response and consider adjusting the score for both the Westside-San Joaquin and the East Stanislaus Regions' applications.

The Westside-San Joaquin Region is experiencing significant impacts –among the worst in the State - due to chronic water supply shortages compounded by the 2014 drought and we anticipate worsening impacts in 2015 should the

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drought continue. The Region's water suppliers recognize that response to the drought must continue and that the only way to counteract these impacts is to implement drought preparedness projects, such as those included in the SLDMWA's grant application. The Region has direct connection to several of the state's major rivers - the Tuolumne, Stanislaus, Merced and San Joaquin Rivers - all of which feed into the Sacramento-San Joaquin Delta, as well as with the Central Valley Project, which diverts water from the Delta to serve the Region.

Additionally, groundwater levels in the Region are dropping and will continue to drop as groundwater must be further relied upon during these drought conditions. The SLDMWA member agencies are pursuing regional water management strategies that integrate groundwater, surface water, and recycled water opportunities into programs which will, in turn, address water supply and reliability, environmental stewardship, and water resource management issues in south-of-the-Delta communities that are significantly disadvantaged.

The SLDMWA started the IRWMP process recognizing the importance of such regional cooperation, and put significant effort into preparing our 2014 grant application. Our member agencies are disappointed in the score our application received, and firmly believe that some of the project-level scoring is in error, as demonstrated in our response comments.

Thank you in advance for your time and consideration of our response comments and the requested revision of the Regions' final score.

Sincerely,



Ara Azhderian  
Water Policy Administrator  
San Luis & Delta-Mendota Water Authority

## **Westside-San Joaquin Region 2014 IRWM Drought Grant Solicitation Application Evaluation Response Comments**

The San Luis & Delta Mendota Water Authority (SLDMWA) has comments on the evaluation of the Westside-San Joaquin Region's 2014 IRWM Drought Grant Solicitation application. These comments are described below and focus on the project-level evaluations.

Further, please note that this grant application contained an inter-regional project shared with the East Stanislaus IRWM Region – the North Valley Regional Recycled Water Project. Our comments on the evaluation of this project are included separate from the other 5 projects due to the inter-regional nature.

### **Question 10 – Does the applicant clearly explain how the proposed project will help alleviate the identified drought impacts?**

***Project #2 – Kaljian Pumping Plant:*** A score of 0 was given for this question for this project. The means by which this project will help alleviate identified drought impacts is described on page 15 of Attachment 3, in the paragraphs beginning in the middle of the page.

### **Question 11 – Is each physical benefit annualized over the lifecycle of the project?**

***Project #1 – Orestimba Creek Recharge Project:*** A score of 0 was given for this question for this project. On page 6 of Attachment 3, four physical benefits were identified for this project. Over pages 6 through 8, each of these four benefits is described and the benefits annualized over the life of the project in separate versions of Table 5.

***Project #2 – Kaljian Pumping Plant:*** A score of 0 was given for this question for this project. On page 18 of Attachment 3, five physical benefits were identified for this project. Over pages 18 through 21, each of these five benefits is described and the benefits annualized over the life of the project in separate versions of Table 5.

### **Question 12 – Are the anticipated primary and secondary physical benefits of the project described and quantified?**

***Project #1 – Orestimba Creek Recharge Project:*** The primary and secondary physical benefits of Project #1 are described and quantified in tables presented on page 6 through 13 of Attachment 3. The primary project benefit is increasing local water supply and reliability, while the secondary project benefits include reducing demands on the Bay-Delta, reducing energy use, and reducing greenhouse gas emissions.

### **Question 13 – Is the level of technical analysis reasonable considering the size of the project and the type of physical benefit claimed?**

***All projects:*** All projects in this grant application received a score of 0 for this question. Tables summarizing the technical analysis of each project were included in Attachment 3 of the grant application. Furthermore, the level of technical analysis presented here was on par with that prepared for the East Stanislaus Region's application, which received scores for this category.

In fact, in addition to the differing scores for the North Valley Regional Recycled Water Project between the two applications (despite the exact same analysis included in both applications), both the Westside-San Joaquin Region's application and the East Stanislaus Region's application contain two other similar projects: The Westside-San Joaquin Region's application contains the Non-potable Water System Phase III Project and the Turf Removal Project, which are parallel to the Expanded Nonpotable Water Use Project and the Landscape Replacement Program included in the East Stanislaus Region's application, both of whom had similar levels of technical analysis and both of which scored 1 for this question.

**Question 14 – Does the technical analysis support the claimed physical benefits?**

***All projects:*** All projects in this grant application received a score of 0 for this question. Tables summarizing the technical analysis of each project were included in Attachment 3 of the grant application and in all cases, the physical benefits were provided by sound technical analyses using published information, agency records and actual data.

**Question 15 – Is the proposed project the least cost alternative? If not, does the applicant sufficiently explain why it was selected instead of the least cost alternative?**

***Project #4 - Turf Removal Project:*** This project received a score of 0 for this question. However, as described in Table 6 on page 48 of Attachment 3, no alternatives were considered for this project as there are no known alternatives that could achieve the same benefits. As there were no alternatives considered, there was no way to determine that this was the least-cost alternative.

**Question 20 – Are the tasks shown in the Budget consistent with the tasks discussed in the Work Summary?**

***Project #3 – Non-potable Water System Phase III:*** This project received a score of 0 for this question. Yet every task included for this project in the Work Summary provided in Attachment 4 is included as a line item in the Budget for this project included in Attachment 5. No budget was allocated for Category (c) for this project as Tasks 5 and 6 are 100% complete, Task 7 (environmental documentation) is 25% complete and the City anticipates adopting a Negative Declaration, which will not require expenditures, and as Task 8 (permitting) is 0% complete but no project-specific permits will be required as the project will be constructed completely in the City's right-of-way.

**Question 21 – Are the costs presented in the Budget reasonable for the project type and the current stage of the project?**

***All projects:*** All projects in this grant application received a score of 0 for this question. The budgets presented in Attachment 5 were based on costs incurred to date, in-house experience with similar projects, engineering estimates and consultant billing rates and proposals. These costs, and the associated contingencies, are reasonable based on engineering judgment and prior experience.

## **Question 22 – Are the tasks in the schedule consistent with the tasks described in the Work Summary?**

**All projects:** All projects in this grant application save two (the Kaljian Pumping Plant and NVRRWP) received a score of 0 for this question. In all cases, every task in the Work Summary is reflected as a line item in the associated project schedule. This format was used consistently throughout this grant application, and for each project in the East Stanislaus Region's application in which all projects received a score of 1. The award of 0 points here appears to be arbitrary and does not reflect the 1-for-1 correspondence between the project work summaries and schedules.

### **North Valley Regional Recycled Water Project (Project #6)**

The North Valley Regional Recycled Water Project (NVRRWP) is an inter-regional project that was included in both the Westside-San Joaquin Region grant application and the East Stanislaus Region grant application. Out of the 17 questions in the Project Level Evaluation, six of the scores do not match between the two application evaluations. The exact same information was included in both applications (typically through copying/pasting to ensure consistency), so logically, the score should be the same for each question for this project. Below are the responses to the questions that not only received zeros in the Westside-San Joaquin Region grant application when we believe they should have received full scores, but also responses regarding the differing scores for certain questions in the two applications.

**Question 1:** A score of zero was given for Question 1, 'Is a brief description of the project included?'

**Response:** According to the PSP, a project description 25 words or less and a more detailed description were required for inclusion in Attachment 3. Both of these items were included for the NVRRWP, therefore it should have received 1 points, not 0. See pages 64 of Attachment 3.

**Question 11:** The scores for Question 11, 'Is each physical benefit annualized over the lifecycle of the project?' do not match in both grant applications. Full points (1 point) were given in the Westside-San Joaquin Region application, while this question received 0 points in the East Stanislaus Region application.

**Response:** In the Westside-San Joaquin Region grant application scoring evaluation, this question received full points (1 point) and it should have in the East Stanislaus Region application as well. Page 75 of Attachment 3 states that the NVRRWP has a 50-year project life. As shown on pages 69 to 72, primary and secondary benefits were annualized from 2017 to 2067.

**Question 12:** The scores for Question 12, 'Are the anticipated primary and secondary benefits of the project described and quantified?' do not match in both grant applications. Full points (1 point) were given in the Westside-San Joaquin Region application, while this question received 0 points in the East Stanislaus Region application.

**Response:** This question received full points (1 point) in the Westside-San Joaquin Region grant application and should have in the East Stanislaus Region application as well. The primary and secondary physical benefits are described and quantified on pages 68 of Attachment 3.

**Question 13:** The scores for Question 13, 'Is the level of technical analysis reasonable considering the size of the project and the type of physical benefits claimed?' do not match in both grant applications. A score of 1 was given in the East Stanislaus Region application and a score of 0 was given in the Westside-San Joaquin Region application.

**Response:** This question warrants a score of 1. No change is required in the East Stanislaus Region score, but the Westside-San Joaquin Region score should be adjusted to match East Stanislaus Region's. The NVRRWP and its physical benefits are strongly supported in sound technical documents as described on pages 72 to 75. A detailed Feasibility Study was prepared for the NVRRWP and referenced throughout the project and benefit description.

**Question 14:** The scores for Question 14, 'Does the technical analysis support the claimed physical benefits?' do not match in both grant applications. Full points (2 points) were given in the East Stanislaus application Region, while this question received 0 points in the Westside-San Joaquin Region application.

**Response:** There is no change required in the East Stanislaus Region score; however, the Westside-San Joaquin Region score for this question should be adjusted to 2 rather than 0.

**Question 16:** The scores for Question 16, 'Does the applicant discuss the necessary tasks that will result in a completed project?' do not match in both grant applications. Full points (1 point) were given in the Westside-San Joaquin Region application, while this question received 0 points in the East Stanislaus Region application.

**Response** Full points were given in the Westside-San Joaquin Region application for this question and should have been in the East Stanislaus Region application. The same work summary describing Tasks 1 through 12 is included in Attachment 4 in both applications. Due to page limitations, task descriptions were kept brief with the understanding that a more detailed work plan would be provided upon conditional awarding.

**Question 21:** The scores for Question 21, 'Are the costs presented in the budget reasonable for the project type and the current stage of the project?' were different in the two applications. A score of 1 was given in the East Stanislaus Region grant application and a score of 0 was given in the Westside-San Joaquin Region application.

**Response:** A score of 1 should have been given in both applications. This would not require a change to the score in the East Stanislaus Region application; however, the score in the Westside-San Joaquin Region application for this question should be adjusted to match the East Stanislaus Region's score. The budget is reasonable for the current stage of the project. As described on page 17 of Attachment 5, the construction cost estimate was developed using construction cost curves based on historic bid results for similar projects within the region and a

30% contingency was applied to account for unknown and unspecific conditions. Other budget items were determined using hourly estimates and percentages typical for industry standards.

**Disqualification of Orestimba Creek Recharge Project (Project #1)**

This project was disqualified due to CASGEM noncompliance. However, the project overlies the Delta-Mendota Groundwater Subbasin, similar to other projects in this grant application, and is within the Del Puerto Water District service area, which is within the SLDMWA CASGEM approved region. As no explanation was provided, it is not clear why DWR deemed this project CASGEM-noncompliant. We ask that DWR meet as soon as possible with SLDMWA staff to resolve this apparent discrepancy.